
The U.S. and Hemisphere: Why We Should Care

By

Peter F. Romero
Acting Assistant Secretary of State,
Bureau of Western Hemisphere Affairs

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It is great to be here in Miami for the C/LAA Conference. All of you collectively as C/LAA and individually have an important voice in the dialogue on hemispheric policy. It's a voice that should be heard not just by those in government but throughout the U.S. business community and the public in general.

Your message is largely the same one I'm going to talk about right now. That message is simple: the Western Hemisphere is vitally important to the United States, vitally important to our security, to our economic well-being, and to the future of our children.

Most Americans, including a lot of people with power and influence, don't understand this. We have to do a better job of stating our case. Fortunately, that's getting to be an increasingly easier case.

That case is that what happens in our hemisphere has high impact on Main Street USA: The mother worried about drugs, the health researcher worried about where the next generation of antibiotics will come from, the worker looking for a better-paying job, the student demonstrating for human rights, the business owner looking for new markets, they all have an interest in a stable, democratic, and prosperous Western Hemisphere.

Let's look at the record. In which part of the world is there a great concentration of democracies, where civil society is beginning to take root, where the people strive for ever higher levels of respect for human rights, where there is a righteous clamor for greater access to justice for all? In which continent are wars among nations almost unknown? Name the area where, through a summit process, 34 countries set the ambitious goal of establishing a regional free-trade area. In which region are America's two largest trade partners? What part of the world sends us the most immigrants, legal and illegal? And the most cocaine? What foreign language are you most likely to hear on the street, on television, or in the home? Where else do they play great baseball and love it just as much as we do?

Every day, what happens in the Western Hemisphere directly affects our lives. And every year that effect will become even more pronounced. Our goal should be to better understand this relationship and help shape it to produce a better future for all of the citizens of the Americas.

Where should we apply our efforts? What should our goals be?

Building Democracy. Democracies make peaceful neighbors and reliable trade partners. They are good for our security. In a peaceful hemisphere, we spend less on defense and can invest

more in the well-being of our societies. Democracies respect human rights, are less tolerant of corruption, and are more likely to build legal systems which set fair ground rules for everybody including foreign investors. Our hemisphere has made enormous progress toward the goal of democratization. If any area in the world can boast of a sweeping trend toward greater respect for democratic practices in the past quarter-century, it is Latin America and the Caribbean. A great deal of work remains to be done. Civil society is still very weak in some countries; there is none where it doesn't need strengthening, including our own. Greater honesty and ethics in government, improved administration of justice, effective and humane law enforcement, and greater respect for free expression are all needed.

Strengthening Our Economies. The U.S. has a huge economic stake in the hemisphere, just as our hemispheric neighbors are broadly influenced by the U.S. economy. Our futures are intertwined by almost any index you choose. In terms of trade, for the first three-quarters of 1999, we shipped almost a quarter trillion dollars in goods to the Western Hemisphere, including \$121 billion to Canada and \$102 billion to Latin America and the Caribbean. We sold more to our two NAFTA neighbors than we sold to all of Europe. We sold more to the four MERCOSUR countries than to China and India combined. The total stock of U.S. direct investment in the Western Hemisphere at the end of 1998 was around \$300 billion. Our goal of establishing the free trade area of the Americas is ambitious but doable. Achieving this goal of uniting a market of 800 million people and over \$10 trillion in GDP will create enormous opportunities for the economies of all our countries.

Most of Latin America is firmly on the path of economic reform. The past decade has seen major successes, particularly the taming of inflation and the return of growth. Countries whose economies have become the most competitive are quickly privatizing, state-owned enterprises, reducing trade barriers and modernizing their regulatory mechanisms. Many are well-poised to achieve higher growth in 2000 and beyond after dire predictions of the lingering effects of the financial crisis that began in Asia last year. Not surprisingly, these countries also embrace democratic reform, anti-corruption efforts, and the strengthening of civil society. It is no coincidence that democratic and economic reforms complement each other.

On the flip side, the fruits of economic growth during the 1990s have been unevenly distributed both within the hemisphere and among the populations of each country. Broad sections of the population in Latin America and the Caribbean still suffer from abject poverty. Many enjoy dramatically improved living standards, but countless others have not seen any appreciable benefit. About a third of Latin America's people live on \$2 per day or less and income inequality is worse than in any other region.

Against this background, it is hardly surprising that according to recent opinion polls, most Latin Americans endorse democracy as a system but are less than satisfied with the performance of that system especially in terms of delivering basic services and improving living standards. It does not take a clairvoyant to predict that support for democracy will wane in the face of economic privation. Just as corruption, unresponsive legal systems, and weak civil institutions give democracy a bad name, so they also limit economic potential. The region's outstanding record of democratization since the apex of military rule some 20 years ago cannot be taken for granted. Some countries have not yet reached the critical mass where sound economic stewardship is matched with consensus-based political decision-making, the combination that achieves results and wins the confidence of citizens as well as of national and international investors.

There are many mechanisms already in place which can aid us in meeting the challenges of the 21st century. One key ingredient is the fact that hemispheric leaders not only recognize these problems but also set forth an ambitious action plan to achieve results—the Summit of the Americas process. The 1998 Santiago Summit put special emphasis on rapidly improving the quality and accessibility of education, especially to the urban poor, to isolated rural communities, and to indigenous populations. Recent history has shown that universal, good-quality education is the single most important element of any long-term strategy in increasing economic growth, ensuring political stability, and reducing poverty. Beyond that, under the Summit of the Americas process, cooperation among hemispheric countries is unprecedented in both scope and depth. We are cooperating in energy, transportation, education, the environment, judicial reform, and in most of the areas that touch the lives of all of the people of the Americas.

Non-governmental organizations in the area play a role which has grown exponentially in the past decades and will continue to expand as civil society in Latin America and the Caribbean takes root. Travel, tourism, academic exchanges, expanded media coverage, satellite television, and the Internet make a huge contribution in bringing the people of our hemisphere together. Civic, professional, and regional organizations reach out to colleagues in other countries on an ever more frequent basis. These “people to people” ties promote mutual understanding and constitute a driving force for further regional integration. Outward-looking publics also exercise considerable influence over the political decision-making in their respective countries, an influence that will only grow stronger in the next century.

Here in the United States, the number of people who have experienced some kind of personal relationship with the hemisphere, be it from travel, tourism, business, academic experience, or even browsing the Internet, is fast on the rise. Our understanding of the region becomes more sophisticated as this trend progresses. The weight of this sector can effectively counter the isolationism that continues to linger in the U.S. despite the revolution in communications, technology, and transportation that have changed with such startling speed the way in which we live and despite unprecedented good economic conditions in the U.S., due in large part to exports. As we head into an election year, we must articulate clearly to the American people the benefits of greater economic integration and international cooperation. It is essential that the U.S. government sustain and lead a deeper and wider engagement in the Western Hemisphere. In so doing, the American people will reap even greater benefits than is now the case. Conversely, relegating the region to a lower priority will only ensure that we bear the costs such as transnational crime, instability, and illegal migration with little of the benefit. I would hope that our presidential candidates heed this message.

For its part, the Clinton Administration will work closely with Congress to develop a special package in support of the anti-drug fight in Colombia and the Andes and to take the final steps to pass Caribbean Basin trade enhancement.

I have been involved in hemispheric affairs during my entire professional career, almost a quarter century. At no time have I felt more confident in the region’s prospects. That is not to say we have solved our problems or that crises no longer loom on the horizon. I visit and revisit them every day. Our relationships with hemispheric countries are complicated and, more than any other region of the world, have a direct domestic dimension. They transcend any single issue or partisan view. Our policies work when derived from a strong bipartisan consensus. We face challenges but also rich opportunities. All of us, working together, can help make the Americas a true New World of peace and prosperity.